



GARVEY SCHOOL DISTRICT

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Michael Coughlin, Assistant Superintendent, Business Services

BOARD OF EDUCATION

Bob Bruesch
H. Janet Chin
Irene Flores
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John Yuen

Superintendent:
Virginia Peterson

April 4, 2008

To: Board of Supervisors
County of Los Angeles, California

Re: *Request for Adoption of Resolution Consenting to the Issuance and sale of Garvey School District General Obligation Bonds, Election of 2004, Series 2008*

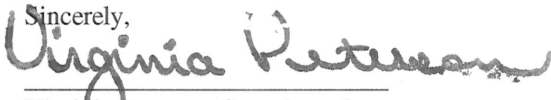
The Board of Education of the Garvey School District (the "District") is requesting the Board of Supervisors of the County to adopt a County Resolution entitled "Resolution Consenting to and Authorizing the District to Issue its Garvey School District General Obligation Bonds, Election of 2004, Series 2008 on its own Behalf and Accepting District Obligation for Payment of County Treasurer Costs Related to Issuing and Making Payments on Such Bonds."

The District received voter authorization, at an election held on November 2, 2004 (Measure Q), to issue up to \$30 million in general obligation bonds to provide funding for essential major repairs and safety improvements to classrooms, some of which are over 75 years old. The District with the consent and authorization of the County has issued two series of general obligation bonds under the Authorization (Series 2005 and Series 2006), in the aggregate principal amount of \$20,998,634.05, leaving \$9,001,365.95 of the authorized principal amount unsold. This last series of general obligation bonds of the District will be issued in an aggregate amount not to exceed \$9,001,365.95 and will be designated as the "Garvey School District General Obligation Bonds, Election of 2004, Series 2008" (the "Bonds").

The Board of Education of the District has previously adopted its Resolution No. 07-08-28 to (i) provide terms and conditions for the issuance and negotiated sale of the Bonds pursuant to the provisions of the California Government Code and applicable provisions of the California Education Code; (ii) designate the Bonds as "qualified tax exempt obligations" for the purpose of paragraph (3) of Section 265(b) of the Internal Revenue Code of 1986; (iii) request the Board of Supervisors of the County to annually levy *ad valorem* taxes without limitation of the rate of amount, for the payment of the principal and interest on the Bonds as it becomes due and payable, upon all property subject to taxation within the District; and (iv) authorize certain payments to be made, certificates to be signed and delivered and actions to be taken, in connection with the issuance of the Bonds .

The District is now requesting the County Board of Supervisors to adopt the County Resolution to consent to and authorize various actions in connection with the issuance and sale of the Bonds.

Sincerely,


Virginia Peterson, Superintendent

**RESOLUTION OF THE BOARD OF SUPERVISORS OF
THE COUNTY OF LOS ANGELES, CALIFORNIA,
CONSENTING TO AND AUTHORIZING GARVEY
SCHOOL DISTRICT TO ISSUE ITS GARVEY SCHOOL
DISTRICT GENERAL OBLIGATION BONDS, ELECTION
OF 2004, SERIES 2008 ON ITS OWN BEHALF AND
ACCEPTING DISTRICT OBLIGATION FOR PAYMENT
OF COUNTY TREASURER COSTS RELATED TO
ISSUING AND MAKING PAYMENTS ON SUCH BONDS**

WHEREAS, Sections 53506 and following of the California Government Code (the “Government Code”), including Section 53508.7 thereof, provide that a California public school district may issue and sell bonds on its own behalf at a private sale pursuant to Sections 15140 and 15146 of the California Education Code (the “Education Code”); and

WHEREAS, Section 15140(b) of the Education Code provides that the board of supervisors of a county may authorize a California public school district in the county to issue and sell its own bonds without the further action of the board of supervisors or officers of the county; and

WHEREAS, the Board of Education of the Garvey School District (the “District”), a California public school district under the jurisdiction of the County of Los Angeles, has adopted, on April 3, 2008, and filed with the Clerk of this Board of Supervisors a resolution (the “District Resolution”), which is attached hereto as **Exhibit A**, providing for the issuance and sale of its “Garvey School District General Obligation Bonds, Election of 2004, Series 2008” (the “Series 2008 Bonds”) through a negotiated sale pursuant to Sections 53506 and following of the Government Code; and

WHEREAS, it has been requested, on behalf of the District, that this Board of Supervisors of the County of Los Angeles (the “County”) consent to such issuance of the Series 2008 Bonds and authorize the District to issue and sell its proposed Series 2008 Bonds on its own behalf at a negotiated sale pursuant to Sections 15140 and 15146 of the Education Code, as permitted by Section 53508.7 of the Government Code, and the terms set forth in the District Resolution; and

WHEREAS, in order to issue the Series 2008 Bonds, the District has applied for, and received, a waiver (“Waiver”) of the District’s statutory bonding capacity limit, established under Section 15268 of the Education Code, from the State Board of Education (“SBE”), a copy of which Waiver has been forwarded to the County; and

WHEREAS, the District Resolution requests that the Auditor-Controller of the County levy on its fiscal year 2008-2009 tax roll, and in subsequent tax rolls, taxes to be levied against property within the District in amounts sufficient to pay principal and interest on the Series 2008 Bonds; and

WHEREAS, the District Resolution designates the Treasurer and Tax Collector of the County (the "County Treasurer") to serve as the initial paying agent, bond registrar, authentication agent and transfer agent (collectively, the "Paying Agent") for the Series 2008 Bonds and the County desires to accept such designation and perform the required services; and

WHEREAS, within the District Resolution the District has offered to pay for any County's costs incurred in authorizing and issuing the Series 2008 Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS FOLLOWS:

Section 1. Consent and Authorization of Negotiated Sale. This Board hereby consents to and authorizes the issuance and negotiated sale by the Garvey School District on its own behalf of the Garvey School District General Obligation Bonds, Election of 2004, Series 2008, pursuant to Sections 15140 and 15146 of the Education Code, as permitted by Section 53508.7(c) of the Government Code, and the terms and conditions set forth in the District Resolution. This consent and authorization set forth herein shall only apply to the specific bonds named herein.

Section 2. Levy of Taxes. This Board hereby directs the Auditor-Controller of the County levy on its fiscal year 2008-2009 tax roll, and in subsequent tax rolls, taxes to be levied against property within the District in amounts sufficient to pay principal and interest on the Series 2008 Bonds.

Section 3. Acceptance of Appointment of County Treasurer as Initial Paying Agent for the Bonds. The County hereby consents to the appointment by the District of the County Treasurer as the initial paying agent, bond registrar, authentication agent and transfer agent (collectively the "Paying Agent") for the Series 2008 Bonds as set forth in the District Resolution.

The County may appoint a successor Paying Agent, but any such successor shall be a bank or trust company doing business and having an office in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars (\$50,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the District and the Bond Owners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation of the Paying Agent and appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent.

Section 4. Acceptance of Payment of County Costs. This Board hereby accepts the District's payment for the services rendered by the County Treasurer as Paying Agent, and also other reasonable expenses incurred in and about the performance of their powers and duties under other related agreements. This Board hereby authorizes County officers to provide an invoice to the District for all such costs incurred.

Section 5. Effective Date. This Resolution shall take effect immediately upon its passage.

The foregoing resolution was, on the 6th day of MAY, 2008, adopted by the Board of Supervisors of the County of Los Angeles and *ex officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which the Board so acts.



SACHI A. HAMAI, Executive Officer -
Clerk of the Board of Supervisors of the
County of Los Angeles

By: _____

Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
COUNTY COUNSEL

By: _____

Principal Deputy County Counsel

EXHIBIT A

DISTRICT RESOLUTION ADOPTED ON APRIL 3, 2008

RESOLUTION NO. 07-08-28

**A RESOLUTION OF THE BOARD OF EDUCATION OF THE
GARVEY SCHOOL DISTRICT PROVIDING FOR THE ISSUANCE
AND SALE OF GARVEY SCHOOL DISTRICT GENERAL
OBLIGATION BONDS, ELECTION OF 2004, SERIES 2008 IN THE
AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED NINE
MILLION ONE THOUSAND THREE HUNDRED SIXTY-FIVE
DOLLARS AND NINETY-FIVE CENTS (\$9,001,365.95)**

WHEREAS, an election was duly called and regularly held in the Garvey School District, County of Los Angeles, California (herein called the "District"), on November 2, 2004 (the "Election"), pursuant to the provisions of the "Safer Schools, Smaller Classes and Financial Accountability Act" enacted by the voters of the State of California ("Proposition 39"), at which Election the following proposition ("Measure Q") was submitted to the electors of the District:

"To make essential major repairs and safety improvements to classrooms, some of which are over 75 years old, including electrical, waterlines, gas lines, rotting foundations, termite repair, replace portables older than 25 years, add cafeterias, computer labs, gymnasiums throughout the district, shall the Garvey Elementary School District issue \$30 million of bonds at interest rates below the legal limit so long as spending is annually reviewed by the Citizens Oversight Committee?"

; and

WHEREAS, as required by Proposition 39, at least 55% of the votes cast on the proposition were in favor of issuing the bonds (the "Bond Authorization"); and

WHEREAS, pursuant to the provisions of Proposition 39, as set forth under Article 1 of Chapter 1.5 of part 10 of Division 1 of Title 1 of the California Education Code, and the California Constitution, the District may proceed to borrow funds under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"), commencing with Section 53506 *et seq.*, and may issue general obligation bonds by way of a resolution and compliance with certain statutory requirements; and

WHEREAS, the Board of Education of the District (the "Board of Education") has previously adopted and submitted to the Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles (the "County"), State of California a resolution requesting the County to issue and sell, in the name and on behalf of the District, General Obligation Bonds, Election of 2004, Series 2005 bonds in an aggregate principal amount not exceeding \$10,000,000 (the "Series 2005 Bonds") and General Obligation Bonds, Election of 2004, Series 2006 bonds in an aggregate principal amount not exceeding \$11,000,000 (the "Series 2006 Bonds"); and

WHEREAS, the Series 2005 Bonds, in the aggregate principal amount of \$9,998,735.70 were issued on June 23, 2005, and the Series 2006 Bonds, in the aggregate principal amount of \$10,999,898.35 were issued on December 21, 2006, leaving bonds of the Authorization in the principal amount of \$9,001,365.95 unissued; and

WHEREAS, the District has determined that it is in the best interests of the District to issue and sell an additional series of the Authorization, not to exceed \$9,001,365.95; and

WHEREAS, the District anticipates that the aggregate amount of tax-exempt obligations to be issued by the District during the current calendar year will not exceed \$10,000,000 and the District believes that it is in the best interest of the District to designate the Series 2008 Bonds as a "qualified tax exempt obligation" for the purpose of paragraph (3) of Section 265(b) of the Internal Revenue Code of 1986 (the "Code"); and

WHEREAS, the District has previously retained Garcia Calderon Ruiz, LLP as bond counsel to the District ("Bond Counsel"), Jones Hall, a Professional Law Corporation as disclosure counsel to the District ("Disclosure Counsel") and Stone & Youngberg LLC as the underwriter ("Underwriter") in connection with the issuance and sale of the Series 2008 Bonds; and

WHEREAS, the proceeds of the sale of the Series 2008 Bonds shall be applied to: (i) finance the construction, acquisition, equipping, repair, rehabilitation and upgrading of school facilities, as provided in Measure Q; and (ii) pay all necessary legal, financial and contingent costs in connection therewith; and

WHEREAS, Proposition 39 requires that the District comply with certain accountability measures, which the District has previously complied with and will continue to comply with during the course of issuing and expenditure of proceeds of bonds issued under the Authorization and this Resolution; and

WHEREAS, the District and the County have previously undertaken procedures to provide for the levy and collection of taxes in amounts sufficient to pay principal and interest on the Series 2005 Bonds and the Series 2006 Bonds when due; and

WHEREAS, this Board of Education requests that the Auditor-Controller of the County levy on its fiscal year 2008-2009 tax roll, and in subsequent tax rolls, taxes to be levied against property within the District in amounts sufficient to pay principal and interest on the Series 2008 Bonds; and

WHEREAS, in order to issue the Series 2008 Bonds, the District has applied for, and received, a waiver ("Waiver") of the District's statutory bonding capacity limit, established under Section 15268 of the Education Code, from the State Board of Education ("SBE"), which Waiver is on file with the District; and

WHEREAS, this Board of Education deems it necessary and desirable to authorize the sale of the Series 2008 Bonds by negotiated sale process pursuant to Government Code Section 53506 *et seq.* and that the sale be made to the Underwriter pursuant to a Bond Purchase Contract (the "Purchase Contract"), because the District believes that such a sale will: (i) allow the District to utilize the services of consultants who are familiar with the financial needs, status and plans of the District; (ii) better to ensure that the tax rate estimated to voters at the time of the Election will be maintained; (iii) result in a lower overall cost of borrowing; (iv) provide more flexibility in the debt structure; (v) allow the District to control the timing of the sale of the Series 2008 Bonds to the municipal bond market and, potentially, take advantage of interest rate opportunities for favorable sale of the Series 2008 Bonds to such market; and (vi) increase the opportunity to pre-market the Series 2008 Bonds for sale to local residents and other investors; and

WHEREAS, there have been prepared and are being presented to this Board of Education (i) a form of the Preliminary Official Statement relating to the Series 2008 Bonds, prepared by Disclosure Counsel, (ii) a form of the Purchase Contract, attached to this Resolution, and (iii) a form of the Continuing Disclosure Certificate to be delivered by the District in connection with the Series 2008 Bonds, attached to this Resolution; and

WHEREAS, this Board of Education desires that the sale of the Series 2008 Bonds may involve the purchase of a municipal bond insurance policy; and

WHEREAS, this Board of Education desires to make certain findings and determinations directing certain related actions, providing for and authorizing the issuance and sale of the Series 2008 Bonds, and the distribution of a Preliminary Official Statement and an Official Statement related thereto, under the terms and conditions and subject to the limitations set forth herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE GARVEY SCHOOL DISTRICT, AS FOLLOWS:

SECTION 1. Incorporation of Recitals; Purpose of the Bonds. The foregoing recitals are true and correct and are incorporated herein by this reference. Series 2008 Bonds of the District shall be issued in the name and on behalf of the District in the aggregate principal or issue amount of not to exceed \$9,001,365.95 for the purposes of providing school facilities as specified in Measure Q.

SECTION 2. Certain Definitions. As used in this Resolution, the terms set forth below shall have the following meanings ascribed to them:

(a) **“Accreted Interest”** means, with respect to the Capital Appreciation Bonds, the Accreted Value thereof minus the Denominational Amount thereof as of the date of calculation.

(b) **“Accreted Value”** means, with respect to the Capital Appreciation Bonds, as of the date of calculation, the Denominational Amount thereof, plus Accreted Interest, compounded semiannually on each February 1 and August 1, commencing from the date of issuance of the Capital Appreciation Bonds.

(c) **“Bond Insurer”** means any insurance company which issues a municipal bond insurance policy insuring the payment of principal and interest on the Series 2008 Bonds.

(d) **“Bond Payment Date”** means, with respect to interest on the Current Interest Bonds, if any, February 1 and August 1, commencing August 1, 2008, or other date specified in the Purchase Contract; and with respect to the principal payments on any Current Interest Bonds, August 1, of each year, commencing on August 1, 2009 or other date specified in the Purchase Contract. With respect to the Capital Appreciation Bonds, “Bond Payment Date” means the stated maturity dates thereof or optional or mandatory redemption dates, as applicable, as set forth in the Purchase Contract.

(e) **“Bond Register”** means the listing of names and addresses of the current registered owners of the debt, as maintained by the Paying Agent.

(f) **“Bonds” or “Series 2008 Bonds”** means the Garvey School District General Obligation Bonds, Election of 2004, Series 2008.

(g) **"Building Fund"** shall have the meaning set forth in Section 4 hereof.

(h) **"Capital Appreciation Bonds"** means those Series 2008 Bonds the interest component of which is compounded semiannually on each Bond Payment Date to maturity as shown in the table of Accreted Values for such Series 2008 Bonds in the Purchase Contract or Official Statement.

(i) **"Capital Appreciation Term Bonds"** means those Capital Appreciation Bonds for which mandatory sinking fund redemption dates have been established upon the sale of the Series 2008 Bonds.

(j) **"Code"** means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Series 2008 Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Series 2008 Bonds, together with applicable regulations promulgated by the Department of Treasury, and applicable official public guidance published, under the Code.

(k) **"Current Interest Bonds"** means the Series 2008 Bonds the interest on which is payable on each Bond Payment Date specified for such Series 2008 Bonds as designated and maturing in the years and in the amounts set forth upon the sale of the Series 2008 Bonds.

(l) **"Current Interest Term Bonds"** means those Current Interest Bonds for which mandatory sinking fund redemption dates have been established upon the sale of the Series 2008 Bonds.

(m) **"Debt Service Fund"** shall have the meaning set forth in Section 4 hereof.

(n) **"Denominational Amount"** means, with respect to the Capital Appreciation Bonds, the initial offering price thereof, which represents the principal amount thereof, and, with respect to the Current Interest Bonds, the principal amount thereof.

(n) **"Designated Officer"** means, Superintendent, the Assistant Superintendent of Business Services of the District or any other officer of the District designated in writing by the Superintendent as a Designated Officer in connection with the Series 2008 Bonds.

(o) **"DTC"** means the Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York in its capacity as securities depository for the Series 2008 Bonds.

(p) **"Fair Market Value"** means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government

Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

(q) **"Informational Services"** means Financial Information, Inc.'s Financial Daily Called Bond Service; Interactive Data Corporation's Bond Service; Kenny Information Service's Called Bond Service; Moody's Municipal and Government; or Standard & Poor's Called Bond Record; and in accordance with then current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the District may designate in a Written Request of the District delivered to the Paying Agent.

(r) **"Letter of Representations"** shall have the meaning set forth in Section 10 hereof.

(s) **"Maturity Value"** means the Accreted Value of any Capital Appreciation Bond on its maturity date.

(t) **"Official Statement"** shall have the meaning set forth in Section 15 hereof.

(u) **"Owner"** means the current registered holder of a Series 2008 Bond or Series 2008 Bonds to whom payments of principal, Accreted Value, premium or interest, as applicable, are made.

(v) **"Participants"** means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

(w) **"Paying Agent"** shall mean any bank, trust company, national banking association or other financial institution appointed as paying agent for the Series 2008 Bonds pursuant to the Purchase Contract in the manner provided in this Resolution, initially the Treasurer.

(x) **"Principal"** or **"Principal Amount"** means, with respect to any Current Interest Bond, the principal amount thereof, and, with respect to any Capital Appreciation Bond, the Denominational Amount.

(y) **"Purchase Contract"** shall have the meaning set forth in Section 13 hereof.

(z) **"Record Date"** means the close of business on the fifteenth day of the month preceding each Bond Payment Date.

(aa) **"Securities Depositories"** means the following: Depository Trust Company, 711 Stewart Avenue, Garden City, New York, 11530, Facsimile transmission: (516)227-4039, (516) 227-4190; Midwest Securities Trust Company, Capital Structures-Call Notification, 440 South LaSalle Street, Chicago, Illinois 60605, Facsimile transmission: (312) 663-2343; Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia, Pennsylvania 19103, Facsimile transmission: (215) 496-5058 and/or such other securities depositories as the District may designate in a writing delivered to the Paying Agent.

(ab) **"Treasurer"** means the Treasurer and Tax Collector of the Los Angeles County, California, or any authorized deputy thereof.

SECTION 3. Terms of Bonds. The Series 2008 Bonds shall be issued in one series designated "Garvey School District (Los Angeles County, California) General Obligation Bonds, Election of 2004, Series 2008." The Series 2008 Bonds shall be Current Interest Bonds, and if issued, Capital Appreciation Bonds.

Any Current Interest Bonds shall be dated their date of delivery and shall bear interest at the rate or rates not to exceed a maximum true interest cost of nine percent (9%) per annum, payable on February 1 and August 1 of each year commencing August 1, 2008, through August 1 of a year no later than 2048 (each an "Interest Payment Date"), unless provisions to the contrary are provided in the Purchase Contract upon the sale of the Series 2008 Bonds. The actual interest rate or rates and the actual maturity are scheduled to be fixed at the time of sale. Each Current Interest Bond shall be issued in denominations of \$5,000 or integral multiples thereof.

The Capital Appreciation Bonds, if issued, shall accrete interest from the date of issuance of the Capital Appreciation Bonds to their maturity at a rate or rates such that the true interest cost shall not exceed nine percent (9%) per annum. The Capital Appreciation Bonds shall be issued in any denominations of their Principal Amounts but shall reflect denominations of \$5,000 Maturity Amount or any integral multiple thereof. The Capital Appreciation Bonds shall mature on August 1 of the years designated upon the sale of the Series 2008 Bonds. Interest on each Capital Appreciation Bond shall be compounded semiannually on February 1 and August 1 of each year until maturity, commencing on August 1, 2008, computed using a year of 360 days, comprised of twelve 30-day months, and shall be payable only at maturity as part of their Maturity Amount or upon prior redemption.

Only such of the Series 2008 Bonds as shall bear thereon a certificate of authentication and registration in the form hereinafter recited, manually signed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Series 2008 Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

The Series 2008 Bonds shall be issued as fully registered bonds without coupons and the Current Interest Bonds shall mature in consecutive order beginning on August 1, 2009, and ending on August 1 of their final year unless provided otherwise upon the sale of the Series 2008 Bonds, and in the Principal or Maturity Amounts to be fixed at the time of sale of the Series 2008 Bonds.

The Series 2008 Bonds shall be sold as provided in Section 13 hereof; notwithstanding anything herein to the contrary, the terms of the Series 2008 Bonds as set forth in this Resolution may be amended prior to delivery in accordance with the provisions of the Purchase Contract, as finally approved and executed by the Designated Officer on behalf of the District; provided, however that the terms of the Purchase Contract as delivered shall comply with the limitations of Government Code Section 53508.5 and the District shall be provided written certification to confirm payments of principal and interest at or prior to the sale of the Series 2008 Bonds.

SECTION 4. Delivery of Bonds, Disposition of Proceeds of the Bonds, Security for the Bonds. The Designated Officers shall, individually or jointly, cause the Series 2008 Bonds to be prepared and, following their sale, shall cause the Series 2008 Bonds to be signed and

delivered to the original purchaser upon payment of the purchase price in immediately available funds.

The proceeds from the sale of the Series 2008 Bonds, to the extent of the principal amount thereof, shall be paid and credited to the fund established and designated as the **"Garvey School District General Obligation Bond, Election of 2004, Series 2008 Building Fund"** (the **"Building Fund"**) of the District, and shall be kept separate and distinct from all other District and County funds, and those proceeds shall be used solely for the purposes for which the Series 2008 Bonds are being issued and for payment of permissible costs of issuance and provided further that such proceeds shall be applied solely for authorized purposes pursuant to Measure Q. The interest earned on the monies deposited in the Building Fund shall be deposited into such fund to be used for any lawful purpose thereof.

The accrued interest and any premium received from the sale of the Series 2008 Bonds (if any, after all or a portion of Underwriter's discount or costs of issuance are paid) shall be kept separate and apart in the fund established and designated as the **"Garvey School District General Obligation Bond, Election of 2004, Series 2008 Debt Service Fund"** (the **"Debt Service Fund"**) for the Series 2008 Bonds and used only for payments of principal and interest on the Series 2008 Bonds. Interest earned on investments of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay principal and interest when due.

Any excess proceeds of the Series 2008 Bonds not needed for the authorized purposes set forth herein for which Series 2008 Bonds are being issued shall, at the direction of the District, be transferred to the Debt Service Fund and applied to the payment of principal and interest on the Series 2008 Bonds. If, after payment in full of the Series 2008 Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District.

Proceeds of the Series 2008 Bonds held by the Treasurer shall be invested pursuant to law and the investment policy of the County, unless otherwise requested in writing by the District, as follows:

(i) At the written request of the District, given by the Designated Officer of the District, the Treasurer may invest all or any portion of the Building Fund in the Local Agency Investment Fund in the treasury of the State of California.

(ii) At the written request of the District, given by the Designated Officer of the District, all or any portion of the Building Fund may be invested on behalf of the District in investment agreements, including guaranteed investment contracts, which comply with the requirements of each rating agency then rating the Series 2008 Bonds necessary in order to maintain the then-current rating on the Series 2008 Bonds.

The District covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Resolution, or otherwise containing gross proceeds of the Series 2008 Bonds (within the meaning of Section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Resolution or the Code) at Fair Market Value.

There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* tax annually without limitation of rate or amount, in

accordance with the Bond Law, during the period the Series 2008 Bonds are outstanding in an amount sufficient to pay the Principal and Accreted Value of, premium, if any, and interest on the Series 2008 Bonds when the same shall become due. When collected, such monies will be placed in the Debt Service Fund, which fund is irrevocably pledged for the payment of the Principal and Accreted Value of, premium, if any, and interest on the Series 2008 Bonds. The monies in the Debt Service Fund, to the extent necessary to pay the Principal and Accreted Value of, premium, if any, and interest on the Series 2008 Bonds, as the same becomes due and payable, shall be transferred by the Treasurer to the Paying Agent for subsequent disbursement to the beneficial owners of the Series 2008 Bonds. The Auditor-Controller, Treasurer-Tax Collector and all other officers of the County are hereby directed to take such actions and execute such documents as are necessary to levy such *ad valorem* taxes and apply such funds to the payment of the Series 2008 Bonds and the interest thereon.

SECTION 5. Redemption and Defeasance.

(A) *Optional Redemption.* The Series 2008 Bonds shall be subject to optional redemption prior to maturity upon the terms and conditions set forth in the Purchase Contract as executed and delivered. If the Bonds shall be subject to optional redemption and less than all of the Series 2008 Bonds are called for such redemption, such bonds shall be redeemed in inverse order of maturity (or as otherwise directed by the District) and if less than all of the Series 2008 Bonds of any given maturity are called for redemption, the portions of such bonds of a given maturity to be redeemed shall be determined by lot.

(B) *Mandatory Sinking Fund Redemption.* The Series 2008 Bonds that are designated in accordance with the Purchase Contract as term bonds shall also be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot, from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in the Purchase Contract. The principal amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately by the amount of any Current Interest Bonds and Capital Appreciation Bonds, if any, of that maturity optionally redeemed prior to the mandatory sinking fund payment date. The Purchase Contract may provide that the Current Interest Bonds and Capital Appreciation Bonds shall not be subject to mandatory sinking fund redemption.

(C) *Notice of Redemption.* Notice of redemption of Series 2008 Bonds will be given by the Paying Agent upon a Written Request of the District given at least 60 days prior to the date designated for such redemption. Notice of any redemption of Series 2008 Bonds will be mailed postage prepaid, not less than 30 nor more than 60 days prior to the redemption date as follows: (i) by first class mail to the respective Owners thereof at the addresses appearing on the bond registration books; (ii) by secured mail to all organizations registered with the Securities and Exchange Commission as securities depositories; (iii) to at least two information services of national recognition which disseminate redemption information with respect to municipal securities; and (iv) as may be further required in accordance with the Continuing Disclosure Certificate of the District.

Each notice of redemption will contain the following information: (i) the Series 2008 Bonds or designated portions thereof (in the case of redemption of the Series 2008 Bonds in part but not in whole) which are to be redeemed, (ii) CUSIP numbers and the numbers of the Series 2008 Bonds to be redeemed and in the case of any Series 2008 Bond to be redeemed in part only, the principal amount of such bond to be redeemed, (iii) the date of redemption, (iv) the redemption price, (v) the place or places where the redemption will be made, including the name and address of the Paying Agent, and (vi) descriptive information regarding the Series

2008 Bonds including the original issue date, interest rate and stated maturity date of each Series 2008 Bond to be redeemed in whole or in part. Each notice of redemption shall further state that on the specified date there shall become due and payable upon each Series 2008 Bond or portion thereof being redeemed, the portion of the principal amount of such Series 2008 Bond to be redeemed, together with the interest accrued to the redemption date, and redemption premium, if any, and that from and after such date, interest with respect thereto shall cease to accrue.

(D) *Effect of Redemption.* When notice of redemption has been given as described above, and when the redemption price of the Series 2008 Bonds called for redemption is set aside for such purpose, the Series 2008 Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date. The Owners of such Series 2008 Bonds so called for redemption after such redemption date shall look for the payment of such Series 2008 Bonds and the redemption premium thereon, if any, only to the Debt Service Fund or the escrow fund established for such purpose.

Failure to receive notice of redemption or any defect in the notice given shall not affect the validity of the proceedings for the redemption of the affected Series 2008 Bonds or the cessation of interest on the date fixed for redemption.

(E) *Partial Redemption of Bonds.* Upon surrender of any Series 2008 Bond redeemed in part only, the Paying Agent shall authenticate and deliver to the Owner thereof a new Series 2008 Bond or Series 2008 Bonds of like tenor and maturity and of authorized denominations equal in principal amount to the unredeemed portion of the Series 2008 Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(F) *Redemption Fund.* Prior to or on the redemption date of any Series 2008 Bonds there shall be available in the interest and sinking fund of the District, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the premiums payable as in this resolution provided, the Series 2008 Bonds designated in any notice of redemption. Such monies so set aside in any escrow fund shall be applied on or after the redemption date solely for payment of Principal and Accreted Value of, premium, if any, and interest on the Series 2008 Bonds to be redeemed upon presentation and surrender of such Series 2008 Bonds, provided that all monies in the interest and sinking fund of the District shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the interest and sinking fund of the District, unless otherwise provided for to be paid from such escrow. If, after all of the Series 2008 Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the interest and sinking fund of the District or otherwise held in trust for the payment of redemption price of the Series 2008 Bonds, those monies shall be held in or returned or transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from that fund; provided, however, that if those monies are part of the proceeds of bonds of the District, the monies shall be transferred to the Debt Service Fund. If no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

(G) *Defeasance of Bonds.* If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of any or all outstanding Series 2008 Bonds, as

appropriate, all of the Principal, Accreted Value, interest and premium, if any, represented by such Series 2008 Bonds at the times and in the manner provided herein and in the Series 2008 Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners shall cease to be entitled to the obligation of the District as provided in herein, and such obligation and all agreements and covenants of the District and of the County to such Owners hereunder and under the Series 2008 Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all Principal, Accreted Value, interest and premium, if any, represented by the Series 2008 Bonds, but only out of monies on deposit in the interest and sinking fund or otherwise held in trust for such payment; and provided further, however, that the provisions of subsection (i) hereof shall apply in all events.

All or any portion of the outstanding maturities of the Series 2008 Bonds may be defeased prior to maturity in the following ways:

(i) by irrevocably depositing with the Paying Agent, or an escrow bank, an amount of cash which together with amounts then on deposit in the Debt Service Fund, is sufficient to pay all Series 2008 Bonds outstanding and designated for defeasance, including all Principal and Accreted Value of, and interest and premium, if any; or

(ii) by irrevocably depositing with the Paying Agent, or an escrow bank, noncallable United States Obligations (as defined below) together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and monies then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Series 2008 Bonds outstanding and designated for defeasance (including all Principal and Accreted value thereof and interest and premiums, if any, thereon) at or before their maturity date.

For purposes of this Section, United States Obligations shall mean:

A. Direct and general obligations of the United States of America (including state and local government series), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's or "Aaa" by Moody's Investors Service; and

B. Non-callable obligations of government sponsored agencies that are rated "AAA," by Standard & Poor's or "Aaa" by Moody's Investors Service but are not backed by the full faith and credit of the U.S. Government. These include the following: (a) Federal Home Loan Mortgage Corp. (FHLMC) Debt Obligations; (b) Farm Credit System (Formerly: Federal Land Banks, Intermediate Credit Banks, and Banks for Cooperatives) Consolidated Systemwide bonds and notes; (c) Federal Home Loan Banks (FHL Banks) Consolidated debt obligations; (d)

Federal National Mortgage Association (FNMA) Debt Obligations; and (e) Resolution Funding Corp. (REFCORP) Debt Obligations.

In the event that Series 2008 Bonds are being defeased pursuant to paragraph (ii) of this Section, the independent certified public accountant referred to therein and any escrow bank selected in connection with said defeasance shall both be subject to County approval.

(H) *Unclaimed Moneys.* Any money held in any fund created pursuant to this County Resolution, or by the Paying Agent in trust, for the payment of the Principal and Accreted Value of, redemption premium, if any, or interest on the Series 2008 Bonds and remaining unclaimed for one year after the Principal of all of the Series 2008 Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the interest and sinking fund of the District for payment of any outstanding bonds of the District payable from that fund; or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

SECTION 6. Form of Bond. The Series 2008 Bonds shall be substantially in conformity with the forms attached hereto as Exhibit A (Form of Current Interest Bonds and Capital Appreciation Bonds), and incorporated herein by this reference as if set forth in full, with necessary or appropriate variations, omissions and insertions as may be permitted or required by this Resolution and to conform to the requirements of the Purchase Contract.

"CUSIP" identification numbers shall be imprinted on the Series 2008 Bonds, but such numbers shall not constitute a part of the contract evidenced by the Series 2008 Bonds and any error or omission with respect thereto shall not constitute cause for refusal of the purchaser to accept delivery of and pay for the Series 2008 Bonds. In addition, failure on the part of the District to use such CUSIP numbers in any notice to Owners of the Series 2008 Bonds shall not constitute an event of default or any violation of any contract with such Owners and shall not impair the effectiveness of any such notice.

SECTION 7. Execution of Bonds. The Series 2008 Bonds shall be executed by the manual or facsimile signatures of the President of the Board of Education (or, in his absence by the Vice-President or acting President) and the Clerk of the Board of Education (or in the Clerk's absence, an assistant clerk or secretary to the Board of Education). The facsimile signatures of the President and the Clerk of the Board of Education (or such other officers as identified above) may be printed, lithographed, engraved, or otherwise mechanically reproduced. The Paying Agent shall manually authenticate each Series 2008 Bond in the space provided, and no Series 2008 Bond shall be valid or obligatory for any purpose until so authenticated.

SECTION 8. Bond Registration; Transfers. As hereinafter provided, the Series 2008 Bonds shall be delivered in a form and with such terms as will permit them to be in book-entry only form, immobilized with DTC. If the book-entry only system is no longer in effect, the District will cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of certificated Series 2008 Bonds as provided in this Section (the "Bond Register"). While the book-entry only system is in effect, such books need not be kept, as the Series 2008 Bonds will be represented by one Series 2008 Bond for each maturity registered in the name of Cede & Co., as nominee for DTC.

The person in whose name a Series 2008 Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Series 2008 Bond for all purposes of this Resolution. Payment of or on account of the Principal and Accreted Value of and interest on any Series

2008 Bond shall be made only to or upon the order of the Owner thereof; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Series 2008 Bonds, including interest, to the extent of the amount or amounts so paid.

Any Series 2008 Bond may be exchanged for Series 2008 Bonds of the same series of any other authorized denomination upon presentation and surrender at the principal corporate trust office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Any Series 2008 Bond may, in accordance with its terms (but only if the District determines no longer to maintain the book-entry only status of the Series 2008 Bonds, DTC determines to discontinue providing such services and no successor securities depository is named or DTC requests the District to deliver certificated securities to particular DTC Participants) be transferred, upon the books required to be kept pursuant to the provisions of this Section, by the Owner, in person or by his duly authorized attorney, upon surrender of such Series 2008 Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

Neither the District, the County nor the Paying Agent will be required to: (a) issue or transfer any Series 2008 Bonds during a period beginning with the opening of business on the 15th day of the month next preceding either any Interest Payment Date or any date of selection of Series 2008 Bonds to be redeemed and ending with the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given, or (b) transfer any Series 2008 Bonds which have been selected or called for redemption in whole or in part.

SECTION 9. Paying Agent.

(a) Appointment of Paying Agent. The Treasurer is hereby appointed as the initial authenticating agent, bond registrar, transfer agent and paying agent ("Paying Agent") for the Series 2008 Bonds, under this Resolution. The Paying Agent may also function as the dissemination agent, if so appointed by the District, and if so acting, shall perform all duties and obligations as set forth in the Continuing Disclosure Certificate of the District. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Series 2008 Bonds, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the District a certificate to that effect.

As used in this Resolution and in the Series 2008 Bonds, "Paying Agent" shall mean the Treasurer and his designated agents or his successors or assigns, acting in the capacity of Paying Agent, registrar, authenticating agent and transfer agent. The Treasurer is authorized to contract with any qualified entity of its choice to perform the service of Paying Agent under this Resolution.

(b) Fees and Expenses. All fees and expenses of the Paying Agent shall be the sole responsibility of the District. If a Paying Agent, other than the Treasurer, is designated by the Treasurer and the District, such Paying Agent shall have a corporate trust office in Los Angeles, California.

(c) *Resignation or Removal of Paying Agent.* The Paying Agent initially appointed hereunder may resign from service as Paying Agent and, in the event the Treasurer selects a substitute entity to perform the services of the initial paying agent, the Treasurer may remove such Paying Agent or any subsequent Paying Agent as provided in the respective Paying Agent's master agreement with the County. Without further action by the District, if at any time the Paying Agent shall resign or be removed, the Treasurer shall appoint a successor Paying Agent, which shall be a bank or trust company doing business in and having a corporate trust office in Los Angeles, California, with at least \$100,000,000 in net assets. Any Paying Agent so appointed shall comply with its obligations as provided hereunder and as provided in the Paying Agent's agreement with the County.

(d) *Payment of Fees and Expenses.* The fees and expenses of the Paying Agent not paid from the proceeds of sale of the Series 2008 Bonds shall be paid in each year from the Debt Service Fund, insofar as permitted by law, including specifically Section 15232 of the Education Code of the State of California.

(e) *Registration Books.* The Paying Agent will keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of the Series 2008 Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on the books, Series 2008 Bonds as provided in Section 11 hereof. The Paying Agent shall keep accurate records of all funds administered by it and of all Series 2008 Bonds paid and discharged by it. Such records shall be provided, upon reasonable request, to the County in a format mutually agreeable to the Paying Agent and the County.

(f) *Paying Agent's Right to Hold Bonds.* The Paying Agent may become the owner of any of the Series 2008 Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

(g) *Liability of Paying Agent.* The recitals of facts, covenants and agreements herein and in the Series 2008 Bonds contained shall be taken as statements, covenants and agreements of the District, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Resolution or of the Series 2008 Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The Paying Agent shall not be liable for any error of judgment made in good faith by a responsible officer in the absence of the negligence of the Paying Agent.

No provision of this Resolution shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(h) *Reliance of Paying Agent.* In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Resolution. The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys.

In the absence of bad faith, the Paying Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties.

SECTION 10. Book-Entry System. The Series 2008 Bonds will be issued in book-entry form by appointing DTC, 55 Water Street, 19th Floor, New York, New York 10041, to act as securities depository for the Series 2008 Bonds. A single certificate, representing the aggregate principal amount of each maturity of Series 2008 Bonds, will be executed and delivered on the day of the closing to DTC. Upon closing, the County shall notify DTC that it has accepted payment of the purchase price of the Series 2008 Bonds, at which time DTC (in accordance with the Letter of Representations defined below) will credit the account of the Underwriter, and process the book-entry deliveries to the accounts of the subsequent purchasers of interests in the Series 2008 Bonds. The Series 2008 Bonds will be lodged with DTC until the maturity of each Series 2008 Bond. On the Business Day prior to each date of maturity of a Series 2008 Bond, the Treasurer shall remit to the Paying Agent from the Debt Service Fund sufficient moneys for the Paying Agent to pay all Principal and Accreted Value of, premium, if any, and interest on such Series 2008 Bond.

To induce DTC to accept the Series 2008 Bonds as eligible for the book-entry form of issuance, the District will enter into a Letter of Representations with DTC (the "Letter of Representations") setting forth the terms and conditions of, and procedures for, the book-entry only form of issuance.

SECTION 11. Satisfaction and Discharge. The obligations of the District hereunder and under the Series 2008 Bonds herein or therein made or provided for, are to be fully discharged and satisfied as to any Series 2008 Bond and such Series 2008 Bond will no longer be deemed to be outstanding and shall be deemed to have been paid for all purposes:

(a) when such Series 2008 Bond is canceled or surrendered for cancellation and is subject to cancellation; or

(b) as to any Series 2008 Bond not canceled, surrendered for cancellation or subject to cancellation, when payment of the principal of and the applicable premium, if any, on any Current Interest Bond, plus interest on such principal to the due date thereof, or the accreted value of any Capital Appreciation Bond as of the due date thereof (whether such due date be by reason of maturity or by acceleration or otherwise), either (i) has been made or caused to be made in accordance with the terms hereof, or (ii) has been provided for by irrevocably depositing with the Paying Agent, in trust, and irrevocably appropriated and set aside exclusively for such payment, either (A) moneys sufficient to make such payment or (B) Government Obligations, as defined below, maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, or (C) a combination of both such moneys and such Government Obligations; and all necessary and proper fees, compensation and expenses of the Paying Agent with respect to such deposit have been paid or the payment thereof has been provided for to the satisfaction of the Paying Agent. For the purposes of this Section, the term "**Government Obligations**" shall mean any of the following which are noncallable and which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein: (x) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), or obligations, the principal of and interest on which are unconditionally guaranteed

by the United States of America; or (y) bonds, debentures or notes issued by any of the following: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Bank System, Federal Land Banks or Federal Farm Credit Banks.

At such time as a Series 2008 Bond is deemed to be no longer outstanding hereunder, such Series 2008 Bond shall cease to accrue interest or accrete value from the due date thereof (whether such due date be by reason of maturity or acceleration as aforesaid, or otherwise), and except for any payment from such moneys or Governmental Obligations set aside as aforesaid, shall no longer be secured by or entitled to the benefits of this Resolution.

SECTION 12. Tax Covenants.

(a) *General.* The District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Series 2008 Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the District hereby covenants that it will comply with the requirements of the Tax Certificate of the District with respect to the Series 2008 Bonds (the "Tax Certificate"), to be entered into by the District on the date of issuance of the Series 2008 Bonds. The provisions of this subsection (a) shall survive payment in full or defeasance of the Series 2008 Bonds. The District shall also avoid taking any action that would affect the status of the Series 2008 Bonds as qualified tax exempt obligations within the meaning of Section 265 of the Code.

(b) *Private Activity Bond Limitation.* The District covenants that it shall assure that the proceeds of the Series 2008 Bonds are not so used as to cause the Series 2008 Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(c) *Federal Guarantee Prohibition.* The District has covenanted that it shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Series 2008 Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(d) *Rebate Requirement.* The District has covenanted that it shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series 2008 Bonds. Compliance may include the establishment of a rebate fund, which shall be kept separately from all other funds and accounts and used and invested in accordance with the provisions of the Code. Such monies will not be available to pay Principal, Interest or Accreted Value, if any, of the Series 2008 Bonds.

(e) *No Arbitrage.* The District has covenanted that it shall not take, or permit or suffer to be taken any action with respect to the proceeds of the Series 2008 Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series 2008 Bonds would have caused the Series 2008 Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(f) *Yield Restriction.* If at any time the District is of the opinion that, for purposes of this Section, it is necessary or helpful to restrict or limit the yield on the investment of any monies held by the Treasurer or any other party on behalf of the District, in accordance with this Resolution or pursuant to law, the District shall so request of the Treasurer or such other party

in writing, and the District shall make its best efforts to ensure that the Treasurer or such other party shall take such action as may be necessary in accordance with such instructions.

(g) *Small Issuer Exemption from Bank Nondeductibility Restriction.* In light of the District's designation of the Series 2008 Bonds as "qualified tax-exempt obligations" pursuant to Section 20 hereof, the District hereby covenants that (i) the Series 2008 Bonds do not constitute private activity bonds as defined in Section 141 of the Tax Code, and (ii) not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Tax Code) from gross income for federal income taxes (excluding, however, private activity bonds, as defined in Section 141 of the Tax Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Tax Code), including the Series 2008 Bonds, have been or shall be issued by or on behalf of the District, including all subordinate entities of the District, during the calendar year 2008.

(h) *Exemption from Rebate Requirement.* The District is a governmental unit with the power to impose taxes of general applicability which, when collected, may be used for general purposes of the District; the Series 2008 Bonds are not private activity bonds within the meaning of section 141 of the Code; and ninety-five percent (95%) of the Net Sale Proceeds of the Series 2008 Bonds are to be used for local governmental activities of the District. The aggregate face amount (or, issue prices, in the case of issues with a net original issue discount or net original issue premium in excess of two percent (2%) of the principal amount of the issue, excluding original issue premium used for reasonable underwriter's compensation) of all tax-exempt obligations (other than private activity bonds as defined in section 141 of the Code) issued by the District, including all subordinate entities of the District and all entities which may issue obligations on behalf of the District, during the calendar year during which the Series 2008 Bonds are being issued, is not reasonably expected to exceed \$15,000,000, of which no more than \$5,000,000 is for other than the construction of public school facilities.

(g) *Reliance on Opinion of Bond Counsel.* Notwithstanding any provision of this Section, if the District shall provide to the Treasurer an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds (an "Opinion of Bond Counsel") that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series 2008 Bonds, the Treasurer may conclusively rely on such Opinion of Bond Counsel in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

SECTION 13. Sale of Bonds. The Series 2008 Bonds will be sold at negotiated sale by the District to Stone & Youngberg LLC pursuant to the terms and conditions set forth in the Purchase Contract substantially in the form attached hereto as **Exhibit B**, incorporated herein by reference (the "**Purchase Contract**"). This Board of Education determines that a negotiated sale will provide more flexibility and other benefits to the District and the taxpayers as further described in Section 18(b) of this Resolution. The form of the Purchase Contract is hereby approved and the Superintendent or any other Designated Officer is hereby authorized to execute the Purchase Contract, with such changes therein, deletions therefrom and modifications thereto as the Designated Officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the maximum interest rate on the Series 2008 Bonds shall not exceed the rate established in this resolution and the Underwriter's discount may not exceed one and seventy-fifth percent (1.75%) excluding costs of issuance and original issue discount, of the aggregate principal or issue amount of Series 2008 Bonds sold thereunder. The Designated Officer, is further authorized to determine the principal

or issue amount of the Series 2008 Bonds to be specified in the Purchase Contract for sale by the District, up to an aggregate principal or issue amount of \$9,001,365.95 to modify redemption terms and to enter into and execute the Purchase Contract, if the conditions set forth in this Resolution are met.

If it appears in the best interests of the District to acquire municipal bond insurance to secure the Series 2008 Bonds, the Designated Officer may so provide in the Purchase Contract.

SECTION 14. Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (as defined below). Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section.

For purposes of this Section, "Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Series 2008 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. A form of the Continuing Disclosure Certificate is attached hereto as **Exhibit C**, incorporated herein by reference. The Designated Officers are hereby authorized to approve, execute and deliver the final form of the Continuing Disclosure Certificate with such changes, insertions and deletions as may be approved by the Superintendent, Disclosure Counsel and Bond Counsel, which approval shall be conclusively evidenced by execution and delivery thereof.

SECTION 15. Official Statement. Pursuant to the provisions of applicable State law and federal disclosure requirements a Preliminary Official Statement relating to the Series 2008 Bonds has been prepared, and the use and distribution of the Preliminary Official Statement and a final Official Statement (collectively, the "**Official Statement**") in connection with the sale of the Series 2008 Bonds is hereby authorized. The Underwriter is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Series 2008 Bonds. The Designated Officer is authorized to approve, execute and deliver, as applicable, copies of the Official Statement, with such changes therein as such officer shall approve, in his or her discretion, as being in the best interests of the District. Upon approval of such changes by such officer, the Preliminary Official Statement shall be deemed final as of its date, except for the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

The Board of Education hereby authorizes and directs the Designated Officer to deliver to the Underwriter a certificate to the effect that the District deems the Preliminary Official Statement, in the form approved by the Designated Officer, to be final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted under such Rule).

SECTION 16. Compliance with Proposition 39. The District hereby determines that it has complied or will comply with the applicable requirements of Proposition 39, and related statutory provisions, as follows:

(a) Pursuant to Section 1(b)(3) of Article XIII A of the California Constitution, the proceeds of the sale of the Series 2008 Bonds shall be used only for the school facilities

projects specified in Resolution 04-05-01, as approved by the voters under the Authorization (the "School Facilities Project List"), and not for any other purposes;

(b) Pursuant to Section 1(b)(3) of Article XIII A of the California Constitution, the Board of Education shall conduct or cause to be conducted annual, independent, performance audits to ensure that the Series 2008 Bond proceeds have been expended only on projects identified on the School Facilities Project List;

(c) Pursuant to Section 1(b)(3) of Article XIII A of the California Constitution, the Board of Education shall conduct or cause to be conducted annual independent financial audits of the Series 2008 Bonds proceeds until all such proceeds have been expended for projects identified on the School Facilities Project List; and

(d) Pursuant to Education Code Section 15278 *et seq.*, the Board of Education has established its Citizen's Oversight Committee ("Committee") and has appointed members thereto pursuant to policies and regulations previously adopted for the Committee by the Board of Education.

SECTION 17. Compliance with other State Law. Pursuant to Government Code Section 53410, the Board of Education hereby finds and determines and directs as follows:

(a) The proceeds of the Series 2008 Bonds shall be used only for the purposes set forth in the School Facilities Project List.

(b) The Assistant Superintendent of Business Services shall have the responsibility to provide the Board of Education a report, at least annually, describing the status of the acquisition and construction of projects in the School Facilities Projects List. This report may be combined with other periodic reports which include the same information.

SECTION 18. Additional Findings and Directives. Pursuant to Education Code Section 15146(b) and (c), the Board of Education hereby finds, determines and directs as follows:

(a) The Board of Education specifically approves the sale of the Series 2008 Bonds at a negotiated sale as described elsewhere in this Resolution;

(b) The Series 2008 Bonds shall be by negotiated sale inasmuch as such a sale will (i) allow the District to utilize the services of consultants who are familiar with the financial needs, status and plans of the District; (ii) better to ensure that the tax rate estimated to voters at the time of the Election will be maintained; (iii) result in a lower overall cost of borrowing; (iv) provide more flexibility in the debt structure; (v) allow the District to control the timing of the sale of the Series 2008 Bonds to the municipal bond market and, potentially, take advantage of interest rate opportunities for favorable sale of the Series 2008 Bonds to such market; and (vi) increase the opportunity to pre-market the Series 2008 Bonds for sale to local residents and other investors; and

(c) The District is represented by Stone & Youngberg LLC, as its Underwriter, Garcia Calderon Ruiz, LLP as Bond Counsel to the District, Sidley Austin LLP as Special Tax Counsel to the District, and Jones Hall, a Professional Corporation as Disclosure Counsel to the District; and

(d) The estimates of costs associated with the issuance and sale of the Series 2008 Bonds are set forth in **Exhibit D**, attached hereto and incorporated herein by reference. Such figures are estimates and shall not constrain or limit the District as to the issuance and sale of the Series 2008 Bonds. It is currently anticipated that the Series 2008 Bonds will be sold to the market at a premium with such premium being utilized to cover such costs of issuance such that the net amount deposited into the Building Fund shall be substantially equal to the par amount of the Series 2008 Bonds; and

(e) The Board of Education hereby directs that following the sale of the Series 2008 Bonds, the Board of Education shall be presented with the actual costs of sale, issuance and delivery costs of the Series 2008 Bonds at the next regularly scheduled meeting following the closing of the Series 2008 Bonds or other date at which such information can be determined and presented in accordance with State Law; and

(f) The Board of Education hereby directs that, following the sale and delivery of the Series 2008 Bonds, an itemized summary of the costs of the sale, issuance and delivery costs of the Series 2008 Bonds shall be provided to the California Debt and Investment Advisory Commission. The Board of Education determines that submission of such information as part of the filing of the Report of Final Sale for the Series 2008 Bonds made in accordance with Section 17 of this Resolution shall constitute compliance with Education Code Section 15146(c)(2).

SECTION 19. Notice to California Debt and Investment Advisory Commission. The Designated Officer is hereby authorized and directed to cause notices of the proposed sale and final sale of the Series 2008 Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to California Government Code Section 8855, and any such notice previously filed is hereby ratified.

SECTION 20. Qualified Tax-Exempt Obligations. The Series 2008 Bonds are hereby designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. The District reasonably anticipates that the District, together with all subordinate entities of the District, will not issue during the calendar year in which the Series 2008 Bonds are issued an aggregate amount of tax-exempt obligations greater than \$10,000,000.

SECTION 21. Conditions Precedent. This Board of Education determines that all acts and conditions necessary to be performed by the Board of Education or to have been met precedent to and in the issuing of the Series 2008 Bonds, in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Series 2008 Bonds have been performed and have been met, in regular and due form as required by law, and that no statutory or Constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series 2008 Bonds.

SECTION 22. Approval of Actions. The Designated Officers are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance and sale of the Series 2008 Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officials and staff are hereby ratified, confirmed and approved.

SECTION 23. Amendments. The District may from time to time, and at any time, without notice to or consent of any of the Owners, by action of the Board of Education, amend the provisions of this Resolution for any of the following reasons:

(a) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein or therein, or to make any other provision with respect to matters or questions arising under this Resolution, provided that such action shall not adversely affect the interests of the Bond Owners;

(b) to add to the covenants and agreements of and the limitations and the restrictions upon the District contained in this Resolution which are not contrary to or inconsistent with this Resolution as theretofore in effect; and

(c) to modify, alter, amend or supplement this Resolution in any other respect which, in the opinion of Bond Counsel, is not materially adverse to the Bond Owners.

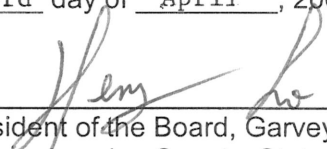
In the event of any such amendment, the District shall promptly provide the County and the Paying Agent with copies of such amendment and the action of the Board of Education approving such amendment.

SECTION 24. Severability. Any provision or term of this Resolution found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Resolution.

SECTION 25. Furnishing of Clerk Certification. The Clerk of the Board is hereby authorized to furnish at least two certified copies of this Resolution to Garcia Calderon Ruiz, LLP, Bond Counsel, at or prior to closing.

SECTION 26. Effective Date. This Resolution shall take effect immediately upon its passage.

ADOPTED, SIGNED AND APPROVED this 3rd day of April, 2008.

By: 

President of the Board, Garvey School District
Los Angeles County, State of California

By: 

Clerk of the Board of Education

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

I, M. Janet Chin, do hereby certify that the foregoing Resolution No. 07-08-28, was duly adopted by the Board of Education of the Garvey School District at a meeting thereof held on the 3rd day of April, 2008, and that it was so adopted by the following vote:

AYES: 5
NOES: 0
ABSENT: 0
ABSTAIN: 0

By: 
Clerk of the Board of Education
of the Garvey School District

EXHIBIT A

FORM OF CURRENT INTEREST BOND

REGISTERED
NO. R - ____

REGISTERED
*****\$*****

GARVEY SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
GENERAL OBLIGATION BOND, ELECTION OF 2004, SERIES 2008

INTEREST RATE: MATURITY DATE: DATED AS OF: CUSIP:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ Dollars

The Garvey School District, County of Los Angeles, State of California (herein called the "District"), for value received, promises to pay to the Registered Owner named above, or registered assigns, on the Maturity Date set forth above or upon prior redemption hereof, the Principal Amount specified above and to pay interest thereon, each payment to be made in lawful money of the United States of America, from the interest payment date next preceding the date of authentication of this bond (unless this bond is authenticated as of a date during the period from the Record Date (as defined herein) next preceding any interest payment date to such interest payment date, inclusive, in which event it shall bear interest from such interest payment date, or unless this bond is authenticated on or before July 15, 2008, in which event it shall bear interest from the date hereof) at the interest rate per annum stated above, payable commencing on August 1, 2008, and thereafter on February 1 and August 1 in each year, until the Principal Amount is paid or provided for.

The principal hereof is payable to the registered owner hereof upon the surrender hereof at the principal corporate trust office of the Paying Agent (as defined in the District Resolution, defined below), initially, the Treasurer and Tax Collector of the County of Los Angeles. The interest hereon is payable to the person whose name appears on the bond registration books of the Paying Agent as the registered owner hereof as of the close of business on the 15th day of the month preceding an interest payment date (the "Record Date"), whether or not such day is a business day, such interest to be paid by check or draft mailed to such registered owner at the owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date immediately preceding an interest payment date, of the owner of Bonds (hereinafter defined) aggregating at least \$1,000,000 in principal amount, interest will be paid in immediately available funds (e.g., by wire transfer) to an account maintained in the United States as specified by the owner in such request. So long as Cede & Co. or its registered assigns shall be the registered owner of this bond, payment shall be made in immediately available funds as provided in the District Resolution hereinafter described.

This bond is one of a duly authorized issue of bonds of like tenor amounting in the aggregate to the stated amount of \$_____ and designated as "Garvey School District General Obligation Bonds, Election of 2004, Series 2008 (the "Bonds"). The Bonds are being issued to be used to finance the construction, acquisition, equipping, repair, rehabilitation and upgrading of certain school facilities as authorized pursuant to the laws of the State of California, and by the requisite fifty-five percent (55%) vote of the electors of the District obtained at an election held on November 2, 2004, upon the question of issuing bonds in the amount of \$30,000,000, and the resolution of the Board of Education of the District adopted on April 3, 2008 (the "District Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The Board of Supervisors of the County of Los Angeles has the power and is obligated to levy such *ad valorem* taxes for the payment of the Bonds and the interest thereon. The Bonds of this issue are general obligations of the District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the Bonds of this issue.

The Bonds are issuable only as fully registered bonds in the denominations of \$5,000 or any integral multiple thereof. Bonds are exchangeable and transferable for Bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the District Resolution. Any tax or governmental charges shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District, nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District, the County nor the Paying Agent will be required to (a) issue or transfer any bond during a period beginning with the opening of business on the 15th day of the month next preceding any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given, or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

The Bonds are comprised of \$_____ principal amount of Current Interest Bonds, of which this Bond is a part, and Capital Appreciation Bonds, of which \$_____ represents the Denominational Amount and \$_____ represents the Maturity Value.

The Current Interest Bonds maturing on or before August 1, ____, are not subject to optional redemption. Current Interest Bonds maturing on and after August 1, ____, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after August 1, ____, at the optional redemption prices set forth below:

Redemption Date
August 1, ____, and thereafter

Redemption Price

The Current Interest Bonds maturing on August 1, ____ are subject to mandatory sinking fund redemption in part by lot, on August 1 of each year, commencing August 1, ____ and on each August 1 thereafter in accordance with the schedule set forth below. The Current Interest Bonds so called for mandatory sinking fund redemption shall be redeemed at the principal amount of such Current Interest Bonds to be redeemed, plus accrued but unpaid interest, without premium.

Redemption Year
(August 1)

Principal Amount

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, the Paying Agent shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. If less than all of the Bonds shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called by lot in any manner which the District in its discretion shall determine.

Notice of redemption shall be mailed, first class postage prepaid to the respective owners of any Bonds designated for redemption at their address appearing on the books required to be kept by the Paying Agent, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, which notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part.

In case of the redemption as permitted herein of all the outstanding Bonds of any one maturity, then outstanding, notice of redemption shall be given by mailing as herein provided, except that the notice of redemption need not specify the serial numbers of the Bonds of such maturity.

Neither the failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds or the cessation of accrual of interest represented thereby from and after the redemption date.

Reference is made to the District Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered owners, and the terms and conditions upon which the Bonds are issued and secured. The owner of this bond assents, by acceptance hereof, to all of the provisions of the District Resolution.

Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the District or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the District Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the District, has caused this bond to be executed, in their official capacities by the manual or facsimile signature of the President of the District Board of Education, and to be countersigned by the manual or facsimile signature of the Clerk of the District Board of Education, and has caused the seal of the District to be affixed hereto, all as of the date stated hereof, all as of the date stated above.

GARVEY SCHOOL DISTRICT

By: _____ - Exhibit -
President of the Board

ATTEST:

By: _____ - Exhibit -
Clerk of the Board

STATEMENT OF INSURANCE

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the District Resolution referred to herein.

Date of Registration and Authentication: _____, 2008

LOS ANGELES COUNTY TREASURER
Paying Agent, as Authentication

-Exhibit-

By: _____
Authorized Signatory

FORM OF CAPITAL APPRECIATION BOND

REGISTERED NO. _____

\$_____
(Maturity Value)

**GARVEY SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES 2006**

YIELD TO MATURITY:	MATURITY DATE:	DATE ISSUANCE:	OF CUSIP:
_____	_____	_____, 2008	_____

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT:

MATURITY VALUE:

The GARVEY SCHOOL DISTRICT, a district duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "District"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, which Maturity Value is comprised of the Denominational Amount specified above plus interest compounded from the Date of Issuance at the Yield to Maturity specified above, assuming that the sum of such compounded interest and the Denominational Amount hereof increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months (interest, together with the Denominational Amount hereof, being herein called the "Accreted Value").

Accreted Value is payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially the Treasurer and Tax Collector of the County of Los Angeles. Accreted Value is payable upon presentation and surrender of this bond at the principal office of the Paying Agent in Los Angeles, California.

Accreted Value is payable to the person whose name appears on the bond registration books of the Paying Agent as the registered owner hereof as of the close of business on the 15th day of the month preceding an interest payment date (the "Record Date"), whether or not such day is a business day, by check or draft mailed to such registered owner at the owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for that purpose. Upon written request, given no later than the Record Date immediately preceding an interest payment date, of the owner of Bonds (hereinafter defined) aggregating at least \$1,000,000 in principal amount, interest will be paid in immediately available funds (e.g., by wire transfer) to an account maintained in the United States as specified by the owner in such request. So long as Cede & Co. or its registered assigns shall be the registered owner of this bond, payment shall be made in immediately available funds as provided in the District Resolution hereinafter described.

This Bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to the stated amount of \$_____ and designated as "Garvey School District General Obligation Bonds, Election of 2004, Series 2008" (the "Bonds"). The Bonds are being issued to be used to finance the construction, acquisition, equipping, repair, rehabilitation and upgrading of certain school facilities of the District under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent (55%) vote of the electors of the District obtained at an election held on November 2, 2004, upon the question of issuing bonds in the amount of \$30,000,000, and the resolution of the Board of Education of the District adopted on April 3, 2008 (the "District Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The Board of Supervisors of the County of Los Angeles has the power and is obligated to levy such *ad valorem* taxes for the payment of the Bonds and the interest thereon. The Bonds of this issue are general obligations of the District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the Bonds of this issue.

The Bonds are issuable only as fully registered bonds in the denominations of \$5,000 or any integral multiple thereof. Bonds are exchangeable and transferable for Bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the District Resolution. Any tax or governmental charges shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District, nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District, the County nor the Paying Agent will be required to (a) issue or transfer any bond during a period beginning with the opening of business on the 15th day of the month next preceding any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given, or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

The Bonds are comprised of \$_____ principal amount of Current Interest Bonds and Capital Appreciation Bonds, of which this Bond is a part (a "Capital Appreciation Bond"), of which \$_____ represents the Denominational Amount and \$_____ represents the Maturity Value.

The Capital Appreciation Bonds are not subject to optional redemption prior to maturity.

Reference is made to the District Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The

owner of this bond assents, by acceptance hereof, to all of the provisions of the District Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the District Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the District, has caused this bond to be executed, in their official capacities by the manual or facsimile signature of the President of the District Board of Education, and to be countersigned by the manual or facsimile signature of the Clerk of the District Board of Education, and has caused the seal of the District to be affixed hereto, all as of the date stated hereof, all as of the date stated above.

GARVEY SCHOOL DISTRICT

By: _____ - Exhibit -
President of the Board

ATTEST:

By: _____ - Exhibit -
Clerk of the Board

STATEMENT OF INSURANCE

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the District Resolution referred to herein.

Date of Registration and Authentication: _____, 2008

LOS ANGELES COUNTY TREASURER
Paying Agent, as Authentication

-Exhibit-

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto

(print or type name, address, zip code, tax identification or Social Security number of assignee) the within Bond and do(es) irrevocably constitute and appoint attorney, to transfer the same on the registration books of the Paying Agent, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

- Exhibit -

Notice: Signature must be guaranteed by an eligible guarantor institution.

- Exhibit -

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration of any change whatever.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede and Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

EXHIBIT B
FORM OF BOND PURCHASE CONTRACT

\$ _____
**GARVEY SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2004, SERIES 2008
(Bank Qualified)**

CONTRACT OF PURCHASE

_____, 2008

Board of Education
Garvey School District

Ladies and Gentlemen:

The undersigned (the "Underwriter") offers to enter into this Contract of Purchase (the "Purchase Contract") with the Garvey School District (the "District"), which, upon the acceptance of the parties hereto, will be binding upon the District, the County and the Underwriter. This offer is made subject to the written acceptance of this Purchase Contract by the District and delivery of such acceptance to the Underwriter at or prior to 11:59 p.m., California Time, on the date hereof.

1. Purchase and Sale of the Bonds. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of \$_____ in aggregate initial amount of the General Obligation Bonds Election of 2004, Series 2008 (the "Bonds"). The Bonds shall bear interest at the rates, and shall mature in the years shown on Appendix A hereto, which is incorporated herein by this reference.

2. The Bonds. The Bonds shall be issued in the form of Current Interest Bonds and Capital Appreciation Bonds, as identified on Appendix A hereto. The Bonds shall be subject to redemption prior to their stated maturities as described below. In all other respects the Bonds shall be as described in, and shall be issued and secured pursuant to the provisions of the Resolution of the District adopted on April 3, 2008 (the "District Resolution") and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"). The County has approved the negotiated sale of the Bonds pursuant to a resolution adopted by the Board of Supervisors on May 6, 2008. All capitalized terms used herein without definition shall have the meanings given to them in the District Resolution.

The Current Interest Bonds maturing on or before August 1, 20____ are not subject to redemption prior to their maturity dates. The Current Interest Bonds maturing on or after August 1, 20____ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after August 1, 20____, at a redemption price equal to the principal amount to be redeemed, plus accrued interest to the date fixed for redemption, without premium.

The Capital Appreciation Bonds are not subject to redemption prior to maturity.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Contract and the District Resolution. The Bonds shall be in book-entry form, shall bear CUSIP numbers, shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. The Bonds shall initially be in authorized denominations of \$5,000 principal amount or maturity value each or any integral multiple thereof.

3. Use of Documents. The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, this Purchase Contract, the Official Statement (as defined in Section 9(c)), the Resolutions and all information contained herein and therein and, except as agreed in writing, all of the documents, certificates or statements furnished by the District or the County to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

4. Public Offering of the Bonds. The Underwriter agrees to make a bonafide public offering of all the Bonds at the initial public offering price or yield to be set forth on the cover page of the Official Statement. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering price or yield as it deems necessary in connection with the marketing of the Bonds.

5. Review of Official Statement. The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds (the "Preliminary Official Statement"). The District represents that it deems the Preliminary Official Statement to be final, except for either revisions or additions to the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as permitted pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule").

The Underwriter agrees that prior to the time the final Official Statement relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

6. Closing. At 8:30 a.m., California Time, on _____, 2008 or at such other time or on such other date as shall have been mutually agreed upon by the District and the Underwriter (the "Closing" or the "Closing Date"), the District will deliver to the Underwriter, at the offices of The Depository Trust Company ("DTC") in New York, New York, or at such other place as the parties hereto may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and in Los Angeles, California, the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof, being \$_____ (representing the aggregate principal amount of the Bonds (\$_____), plus net original issue premium (\$_____), less premium retained by the Underwriter (\$_____ to pay costs of issuance (\$_____), the premium for the bond insurance policy (\$_____ and Underwriter's discount (\$_____)). The remainder of the net original issue premium will be deposited by the

District in the Debt Service Fund. The purchase price shall be payable to the District in immediately available funds by check, draft or wire transfer to or upon the order of the District.

7. Representations, Warranties and Agreements of the District. The District hereby represents, warrants and agrees with the Underwriter that:

(a) Due Organization. The District is a public instrumentality duly organized and validly existing under the laws of the State of California.

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Purchase Contract, to adopt the District Resolution and the continuing disclosure certificate (the "Continuing Disclosure Certificate"), to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Contract, the District Resolution and the Continuing Disclosure Certificate; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the District Resolution, this Purchase Contract and the Continuing Disclosure Certificate have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Contract constitutes a valid and legally binding obligation of the District; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Contract.

(c) Consents. Except for such consents and approvals that have been obtained, no consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request.

(d) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of this Purchase Contract, the District Resolution and the Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

(e) Litigation. As of the time of acceptance hereof no action, suit, proceeding, hearing or investigation is pending in which service of process has been completed against the District or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection of *ad valorem* property taxes pledged or to be pledged or available to pay the principal of and interest on the Bonds, or the pledge thereof, or the levy of any taxes contemplated by the Resolutions or in any way contesting or affecting the validity or enforceability of

the Bonds, this Purchase Contract, the Continuing Disclosure Certificate or the Resolutions or contesting the powers of the District or the Resolutions, the Continuing Disclosure Certificate or this Purchase Contract; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Contract, the Continuing Disclosure Certificate or the Resolutions, (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation.

(f) Arbitrage Certificate. The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is a bond issuer whose arbitrage certificates may not be relied upon.

(g) Certificates. Any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

8. Representations, Warranties and Agreements of the Underwriter. The Underwriter hereby represents, warrants and agrees with the District that, as of the date hereof and as of the Closing Date:

(a) Rule G-37. The execution and delivery hereof and the consummation of the transactions contemplated hereto does not and will not violate any of the prohibitions set forth in Rule G-37 promulgated by the Municipal Securities Rulemaking Board (the "MSRB");

(b) Reporting to MSRB. All reports required to be submitted to the MSRB pursuant to Rule G-37 have been and will be submitted to the MSRB; and

(c) Consideration to Other Parties. The Underwriter has not paid or agreed to pay, nor will it pay or agree to pay, any entity, company, firm or person other than a bona fide officer, agent or employee working for Underwriter, any compensation, fee, gift or other consideration contingent upon or resulting from the award of or entering into this Purchase Contract.

9. Covenants of the District. The District covenants and agree with the Underwriter that:

(a) Securities Laws. The District will furnish such information, execute such instruments, and take such other action in cooperation with, and at the expense of, the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions, provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof and shall not be required to register as broker-dealers;

(b) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the Resolutions;

(c) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the

date this Purchase Contract is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being called the "Official Statement") in such reasonable quantities as may be requested by the Underwriter not later than five (5) business days following the date this Purchase Contract is signed, in order to permit the Underwriter to comply with paragraph (b) (4) of the Rule and with the rules of the Municipal Securities Rulemaking Board. The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

(d) Subsequent Events. The District hereby agrees to notify the Underwriter of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District until the date which is twenty-five (25) days following the Closing;

(e) Amendments to Official Statement. For a period of twenty-five (25) days after the Closing or until such time (if earlier) as the Underwriter shall no longer hold any of the Bonds for sale, and if any event relating to or affecting the District shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser, forthwith prepare and furnish (at the expense of the District) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance reasonably satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading.

10. Conditions to Closing. The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under this Purchase Contract are and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District shall be in compliance with each of the agreements made by it in this Purchase Contract;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Purchase Contract, the District Resolution and the Continuing Disclosure Certificate shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the District and the Underwriter; (ii) all actions under the Act which, in the opinion of Garcia Calderon Ruiz LLP, bond counsel ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force

and effect; and (iii) the District shall perform or have performed all of its obligations required under or specified in the District Resolution, this Purchase Agreement, the Continuing Disclosure Certificate or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Contract (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, be threatened which has any of the effects described in Section 8(e) or 9(e) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Marketability. Between the date hereof and the Closing, the market price or marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering prices set forth in the Official Statement, of the Bonds shall not have been materially adversely affected in the reasonable judgment of the Underwriter (evidenced by a written notice to the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(1) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Bonds; or

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(2) the declaration of war or engagement in major military hostilities by the United States or the occurrence of any other national emergency or calamity relating to the effective operation of the government or the financial community in the United States;

(3) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such

restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect;

(6) the withdrawal or downgrading of any rating of the District's outstanding indebtedness by a national rating agency; or

(7) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(e) Delivery of Documents. At or prior to the date of the Closing, the Underwriter shall receive three copies of the following documents in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(1) Bond Opinion. An approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the date of the Closing, addressed to the District;

(2) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Underwriter can rely upon the approving opinion described in (e)(1) above;

(3) Certificate of the District. A certificate signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Contract, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the District Resolution, the Continuing Disclosure Certificate and this Purchase Contract to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, (iv) such District official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Contract substantially conform to the descriptions thereof contained in the Resolutions;

(4) Arbitrage. A nonarbitrage certificate of the District in form satisfactory to Bond Counsel;

(5) District Resolution. A certificate, together with fully executed copies of the District Resolution, of the Clerk of the District Board of Education to the effect that:

(i) such copies are true and correct copies of the District Resolution; and

(ii) the District Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing.

(6) Official Statement. Certificates of the appropriate officials of the District evidencing their determinations respecting the Preliminary Official Statement in accordance with the Rule; and

(7) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence compliance (i) by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained, (iii) the truth and accuracy, as of the time of Closing, of the Official Statement and (iv) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(f) Ratings. Letter from Moody's Investors Services confirming the rating of "____", and Standard & Poor's confirming the rating of "____".

(g) Insurance. Evidence of a municipal bond insurance policy issued in regard to the bonds by _____.

(h) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriter prior to the close of business, California Time, on the Closing Date then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 5 hereof.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Contract or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract may be canceled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

12. Conditions to Obligations of the District. The performance by the District of its obligations is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the District and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the District.

13. **Expenses.** The Underwriter shall pay costs of issuance of the Bonds on behalf of the District in the amount of \$_____, from original issue premium retained by the Underwriter, which may be applied to any such costs of issuance at the District's direction, including, but not limited to the following: (i) the fees and disbursements of Bond Counsel; (ii) the fees and disbursements of Jones Hall, A Professional Law Corporation, as Disclosure Counsel; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees, if any, for Bond ratings, including all necessary travel expenses; (v) the cost of the printing and distribution of the Official Statement; (vi) the initial fees of the Paying Agent; (vii) the cost of municipal bond insurance on the Bonds; (viii) the Underwriter's discount, and (ix) all other fees and expenses incident to the issuance and sale of the Bonds. Any such expenses which exceed in the aggregate \$_____ shall be paid by the District and may be paid from the proceeds of the Bonds.

Notwithstanding the foregoing, the Underwriter shall pay, and the District has no obligation to pay, all expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including, but not limited to (i) all advertising expenses in connection with the offering of the Bonds; (ii) the fees and disbursements of Underwriter's Counsel; (iii) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds, except as provided in the preceding paragraph or as otherwise agreed to by the Underwriter and the District; (iv) the fees of the California Debt and Investment Advisory Commission.

14. **Notices.** Any notice or other communication to be given under this Purchase Contract (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the District, to the Superintendent, Garvey School District, 2730 N. Del Mar, Rosemead, California, 91770 or if to the Underwriter, to Stone & Youngberg LLC, One Ferry Building, Suite 275, San Francisco, California 94111.

15. **Parties in Interest; Survival of Representations and Warranties.** This Purchase Contract when accepted by the District in writing as heretofore specified shall constitute the entire agreement between the District and the Underwriter. This Purchase Contract is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All representations, warranties and agreements of the County and the District in this Purchase Contract shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Purchase Contract.

16. **Execution in Counterparts.** This Purchase Contract may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

17. **Applicable Law.** This Purchase Contract shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,

STONE & YOUNGBERG LLC

By: _____
Managing Director

The foregoing is hereby agreed to and accepted as of the date first above written:

GARVEY SCHOOL DISTRICT

By: _____
Assistant Superintendent,
Business Services

APPENDIX A

Maturity Schedule

Current Interest Bonds

Maturity Date (August 1)	Principa l	Coupon	Yield	Price

Capital Appreciation Bonds

Maturity Date (August 1)	Initial Principal	Accretio n Rate	Yield to Maturity	Maturity Value
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C = Priced to par call on August 1, 20____.

EXHIBIT C
FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

GARVEY SCHOOL DISTRICT GENERAL OBLIGATION BONDS ELECTION OF 2004, SERIES 2008 (BANK QUALIFIED)

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Garvey School District (the "Issuer") in connection with the issuance of \$_____ General Obligation Bonds, Election of 2004, Series 2008 (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted by the Board of Education of the District on April 3, 2008 (the "Resolution"). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*CPO*" means the Internet-based filing system currently located at www.DisclosureUSA.org, or such other similar filing system approved by the Securities and Exchange Commission.

"*Dissemination Agent*" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"*Listed Events*" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"*National Repository*" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission are set forth at <http://www.sec.gov/info/municipal/nrmsir.htm>.

"*Participating Underwriter*" shall mean Stone & Youngberg LLC or any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Repository*" shall mean each National Repository and each State Repository.

"*Rule*" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from

time to time.

"*State Repository*" shall mean any public or private repository or entity designated by the State of California as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Certificate, there is no State Repository.

Section 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to provide, not later than nine months after the end of the District's fiscal year (which currently would be April 1), commencing no later than April 1, 2009 with the report for the 2007/2008 Fiscal Year, to the Participating Underwriter and to each Repository, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. An Annual Report shall consist of the most recently available documents of the type to be included in the Annual Report (see Section 4). Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If by such date the Dissemination Agent (if other than the Issuer) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer to determine if the Issuer is in compliance with the previous sentence.

The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The Issuer shall provide a written certification with each Annual Report furnished to the Dissemination Agent and the Trustee to the effect that such Annual Report constitutes the Annual Report required to be furnished by the Issuer hereunder.

(b) If the Issuer is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the Issuer shall, by written direction, cause the Dissemination Agent to provide to (i) each National Repository or the Municipal Securities Rulemaking Board and (ii) each appropriate State Repository (with a copy to the Trustee) a notice, in substantially the form attached as Exhibit A. In lieu of filing the notice with each Repository, the Issuer or the Dissemination Agent may file such notice with the CPO.

(c) With respect to the Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any; and

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

(d) In lieu of filing the Annual Report with each Repository in accordance with the preceding paragraph (c), the Issuer or the Dissemination Agent may file such Annual Report

solely with the CPO.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain the following:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statement of the District, the Annual Report shall also include the following:

- (i) A summary of the District's approved annual budget for the then-current fiscal year;
- (ii) Assessed value of taxable property in the District as shown on the most recent equalized assessment roll;
- (iii) Property tax levies, collections and delinquencies for the District for the most recently completed fiscal years; and
- (iv) Top ten property owners in the District for the then-current fiscal year, as measured by secured assessed valuation, the amount of their respective taxable value, and their percentage of total secured assessed value, if material.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the Issuer shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) The items of subsection 4(b) shall be supplemented, if applicable, by event notices which have been filed pursuant to Section 5.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, to each National Repository or to the Municipal Securities Rulemaking Board, and to the State Repository (if any):

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions or events affecting the tax-exempt status of the security.
- (7) Modifications to rights of security holders.
- (8) Contingent or unscheduled bond calls.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities.
- (11) Rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the Issuer determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the Issuer shall promptly file a notice of such occurrence with (i) each National Repository or the Municipal Securities Rulemaking Board and (ii) each appropriate State Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Resolution.

In lieu of filing the notice of Listed Event with each Repository in accordance with the preceding paragraph, the Issuer or the Dissemination Agent may file such notice of a Listed Event with the CPO.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Section 3, 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the annual financial information containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the Repositories in the same manner as for a Listed Event under Section 5(c).

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the

Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and hold the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2008

GARVEY SCHOOL DISTRICT

By _____ - Exhibit -
Superintendent

EXHIBIT D
ESTIMATED COSTS OF ISSUANCE

ESTIMATED COSTS OF ISSUANCE DETAIL

Bond Counsel & Special Tax Counsel Fees	\$28,500.00
Bond Counsel Expenses	\$2,500.00
Disclosure Counsel Fees	\$17,000.00
Disclosure Counsel Expenses	\$500.00
Issuer's Counsel Fees	\$3,000.00
S&P	\$9,000.00
Moody's	\$8,700.00
Printing POS/Official Statement	\$10,000.00
Paying Agent	\$800.00
Cost of Issuance Custodian	\$250.00
Bond Insurance	\$250,000.00
Underwriting	\$158,000.00
Contingency	\$1,750.00
TOTAL	\$490,000.00